

## Regulatory Announcement

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<b>Company</b>	<a href="#">Accsys Technologies PLC</a>
<b>TIDM</b>	AXS
<b>Headline</b>	Full License Agreement
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**25<sup>th</sup> March 2008**

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### **Accsys Signs Full License Agreement in Middle East**

Accsys Technologies PLC ("Accsys" or "the Company") announces that its 100% owned subsidiary, Titan Wood Ltd. ("Titan Wood"), has signed a full license agreement with Al Rajhi Holdings W.L.L. ("Al Rajhi"), in respect of the exclusive rights to manufacture Accoya<sup>®</sup> wood in all six GCC<sup>1</sup> (Gulf Cooperation Council) countries for an annual nameplate Accoya<sup>®</sup> wood production capacity of 150,000 cubic metres.

The terms of the agreement, which follow Titan Wood's standard payment terms, provide for technology fees and annual royalties. Having already paid an option fee of €150,000, Al Rajhi will make an immediate down payment of €2,850,000. Additional fees will be paid subject to the timing and phasing of the construction period, with royalty payments commencing upon commercial production, expected to start in 2010.

Al Rajhi has exclusive rights for the region for a period of four years with rights to increase the length of exclusivity subject to committing to increased Accoya<sup>®</sup> wood production licenses.

Willy Paterson-Brown, Executive Chairman of Accsys commented, "We are understandably delighted to reach agreement with Al Rajhi for exclusive Accoya<sup>®</sup> wood production rights throughout the Gulf countries. We will now jointly focus on developing the market both within and beyond the region to explore the additional potential of Accoya<sup>®</sup> wood".

Yaser Alsharifi, Head of Corporate Finance at Al Rajhi Holdings W.L.L., added, "We are extremely excited by the potential of this transaction. We are already looking at increased volumes and additional territories as we realise the value of the exclusive nature of our agreement with Titan Wood. Our region is ripe for this outstanding new product, Accoya<sup>®</sup> wood, which for the first time will be able to access a high quality, environmentally friendly modified wood to penetrate a very lucrative market".

<sup>1</sup> Gulf Cooperation Council countries: Kuwait, Bahrain, Qatar, Oman, Kingdom of Saudi Arabia and the United Arab Emirates.

## ENDS

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### Notes to Editors:

#### Al Rajhi Group

Al Rajhi Holdings W.L.L. and Al Rajhi Partners (together 'Al Rajhi') represent the business interests of Sheikh Abdulrahman Saleh Al Rajhi and his immediate family in Saudi Arabia.

Al Rajhi has substantial interests, comprising investments in financial services, infrastructure, telecoms, utilities, real estate; oil and gas. Key investments include Bank Al Bilad, DanaGas, Saudi Telecom, and Saudi Cement. Khalid al Rajhi, CEO of Al Rajhi, is a director of each of these companies.

Al Rajhi Holdings W.L.L. currently owns approximately 6.5% of the Company's issued ordinary share capital.

**Titan Wood Limited** ([www.titanwood.com](http://www.titanwood.com)) is a wholly owned subsidiary of the Accsys Technologies PLC ([www.accsysplc.com](http://www.accsysplc.com)) group of companies. Accsys Technologies PLC is listed on the London Stock Exchange AIM market and on Euronext Amsterdam by NYSE Euronext, under the symbols 'AXS'.

**Accoya**<sup>®</sup> wood ([www.accoya.info](http://www.accoya.info)) is produced using a patented process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a 'new wood species' via acetylation. Distinguished by its durability, dimensional stability and, perhaps most importantly of all, its reliability (in terms of consistency of both supply and quality), Accoya<sup>®</sup> wood is particularly suited to exterior applications where performance and appearance are valued. Unlike most tropical and European hardwoods, its colour does not degrade when exposed to ultraviolet light. Moreover, the Accoya<sup>®</sup> wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, durability and retained strength means that Accoya<sup>®</sup> wood offers a wealth of new opportunities to architects, designers and specifiers. For marine uses where weight is also important, Accoya<sup>®</sup> wood for the first time provides boat builders with a wood that is strong, lightweight, durable and which retains its natural beauty for far longer.

**Wood Acetylation** is a process, which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. The process protects wood from rot by making it "inedible" to most micro-organisms and insects, without – unlike conventional treatments – making it toxic. It also greatly reduces the wood's tendency to swell and shrink, making it less prone to cracking and ensuring that when painted it requires dramatically reduced maintenance.

**ACCOYA<sup>®</sup> and the Trimarque Device are registered trademarks owned by Titan Wood Limited and may not be used or reproduced without written permission.**